

**Office of Thrift Supervision**

Department of the Treasury

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*Richard M. Riccobono**Deputy Director*

August 25, 1998

MEMORANDUM FOR: Chief Executive Officer**FROM:**

Richard Riccobono

SUBJECT:

Confidentiality of Year 2000 Rating

The purpose of this memorandum is to remind savings associations that information contained in Year 2000 examination reports, including Year 2000 examination ratings, are governed by the same rules of confidentiality that apply to Office of Thrift Supervision examinations conducted for safety and soundness, compliance, information systems and trust activities. Under 12 C.F.R. § 510, disclosure of reports of examinations, or any information contained in them (including any assigned rating), is strictly prohibited.

We are aware of some instances where certain third party firms, such as financial ratings companies or fidelity bond carriers, have made requests to savings associations and other financial institutions for Year 2000 ratings. We want you to know that requests from such firms are not authorized by the OTS or any federal banking regulatory agency. Moreover, the release of a Year 2000 rating, or any other examination information to these firms, would violate federal regulations. Accordingly, if your savings association is asked to provide its Year 2000 rating to any third party firm, please contact your regional office and provide OTS officials with the name of the requester so that they may take appropriate action.

Although the disclosure of Year 2000 examination information is prohibited, we encourage savings associations to keep their customers informed of progress on Year 2000 issues. The Federal Financial Institutions Examination Council (FFIEC) release entitled "Guidance on Year 2000 Customer Awareness Programs," issued on May 13, 1998 (OTS CEO Memo # 98-88), emphasizes the importance of effective communication between institutions and their customers. In addition, the Securities and Exchange Commission has issued Year 2000 disclosure requirements for publicly traded institutions, and OTS encourages other institutions not subject to

SEC requirements to use the SEC guidance as the basis for voluntary public disclosure about Year 2000 readiness.

The OTS, and the other federal banking regulatory agencies, examine the Year 2000 readiness of many service providers and software vendors. The FFIEC agencies disclose the examination information of such service providers, and of those software vendors who consent to disclosure, to their insured financial institution customers. However, under the same disclosure rules that apply to financial institutions, service providers and software vendors are not authorized to disclose their Year 2000 examination information. Likewise, insured financial institution customers may not disclose the assessment information about their service providers or software vendors.

The OTS does not "certify" Year 2000 compliance of service providers or software vendors, nor does it rank their Year 2000 readiness efforts. Like insured financial institutions, service providers and software vendors are encouraged to share with their customers the steps they have taken to address Year 2000 issues.

For further information, please contact your Regional Year 2000 Coordinator or Dorothy Van Cleave at (202) 906-7380.